

LETTER OF GUARANTEE

Whenever you enter into business contracts that require guarantees that you will fulfill your obligations, we would be pleased to discuss the option of a Letter of Guarantee. Letters of Guarantee issued by TEB rely on the long tradition and expertise of our parent companies, TEB A.S and BNP Paribas. The Letter of Guarantee can be used both for domestic and international contracts as TEB provides you with the following types:

Tender Guarantee – is a document required in the application phase for a tender as it assures that the product or service will be delivered to the beneficiary according to duties and responsibilities in the tender file. The purpose of a Tender Guarantee is to indicate to the buyer that the Tender is a serious offer and that the party submitting it will sign the contract if the Tender is accepted.

Performance Guarantee – ensures that the beneficiary (a party in a contract) will receive specific products or services from the contractor, as indicated in their agreement.

Advance Payment Guarantee – is a form of assurance from the party receiving the advance, to the party advancing the payment that the advanced sum will be returned if the agreement under which the advance was made cannot be fulfilled.

Payment Guarantee – provides financial security to the beneficiary, if the principal fails to make payment for the goods or services received. This is a type of financial commitment that requires the debtor to repay the debt in accordance with the terms and conditions that apply to the original debt agreement. If the debtor fails to meet his obligation, the Bank will pay the financial amount specified in the contract.

Other guarantees at TEB customer request (always under the Bank's accepted wording and undertaking).

Guarantees issued by TEB are "on demand" guarantees and are paid at first request. All payments made under the guarantee issued by TEB should be processed through TEB and refer to the related reference number.